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(For details see pp. 3-4)

Several of the January business indicators in Oregon point to a leveling off of the current expansion. Total bank debits, for example, show the smallest increase over the same month of the previous year that has been observed in the past 18 months. Liabilities of business failures have risen with respect to the same month a year ago for the second consecutive time. New orders for lumber fell sharply. Although these do not definitely indicate a decline in business activity, the indexes do hint that the rate of expansion is dropping.

- **Bank debits** in Oregon during January were 4.7 per cent above the January 1959 levels, but they fell 6.4 per cent below December 1959 levels in the usual seasonal setback from the brisk activity at the end of the year. While six of Oregon's economic areas (including Portland) showed year-to-year gains, five areas recorded declines from year-earlier levels. All areas shared in the retreat from the December figures.

- **Employment** in non-agricultural industry in Oregon during January 1960 rose 3.3 per cent above the level of January 1959. A continuation of the seasonal decline caused total employment to fall 3.9 per cent below December 1959 levels. Contract construction led the decline from the previous month with a drop of 11.7 per cent, and it was also the only category that failed to show an improvement from year-earlier levels.

- **The index of manhours** in manufacturing (1951=100) dropped to 83.0 in January from the revised reading of 89.6 in December. This later estimate was, however, higher than the 79.1 recorded in January 1959.

- **The average weekly earnings** of production workers in nonagricultural industry in Oregon during January 1960 were estimated to be $95.10. This may be compared with the $97.91 reported for December 1959 and the $92.72 revision for January 1959.

- **Lumber production** in the Douglas fir region of the Pacific Northwest during January advanced 11.5 per cent above the average weekly production reported for January 1959. The current production estimates were also 3.9 per cent above December 1959. New orders dropped 10.5 per cent below year-earlier averages and 22.3 per cent under the December 1959 level. Estimates of unfilled orders at the end of January were 1.0 per cent above the figures for January 1959, but they were 5.2 per cent lower than the reports for the previous month. End-of-the-month inventories were 21.1 per cent higher than levels of January 1959 and 4.8 per cent above the estimates for December 1959.

- **The value of building permits** issued in Oregon during January 1960 was 1.4 per cent above the total recorded in January 1959, but it was 31.3 per cent below the December 1959 figure.

Commodity-Balances in Recent Oregon Rail Freight Traffic

By ROY J. SAMPSON
Assistant Professor of Transportation, University of Oregon

Regional, state, community, and trade groups, when planning systematic economic development, need various kinds of commodity-balance and commodity-flow data; individual businesses, when planning for orderly marketing, also need such data. A quantity of such data, dealing with rail movements, is found in various waybill statistics publications of the Interstate Commerce Commission. These ICC data, however, require manipulation and interpretation of their published form to make them readily comprehensible. This article, therefore, is designed to provide some interpretations concerning Oregon's outgoing rail shipments by answering several specific questions. First, how do outgoing rail shipments compare in tonnage with incoming shipments? Second, in what proportions do the various broad commodity groups contribute to total Oregon rail tonnage originations? Third, how do Oregon rail tonnage terminations compare with originations in the various commodity groups? Fourth, what proportion of the state's rail tonnage originations terminate within the state? Fifth, where do most of the outgoing shipments terminate? And sixth, what specific items within the broad commodity groups account for most of the state's export surpluses to other states?

The latest available published ICC waybill statistics data were used to make the computations shown herein. Limitation of space prevents citation of individual ICC publications. Regular readers of these publications will recognize the ones used; persons wanting specific citations may have them from the writer upon request, or from other sources without difficulty.

Several qualifications concerning these data are to be kept in mind. First, the pertinent ICC publications are based upon a one per cent waybill sample, which in itself may have some inherent weaknesses. Second, of course, the data deal with rail movements only, whereas truck and water movements may be important to the record of some commodities moving to various terminating areas; it is likely that the patterns of truck and water movements do not differ substantially from the rail pattern for most commodities, but in some instances there may be appreciable differences. Also, the data discussed here relate to tonnage figures only and not to monetary values of the commodities concerned. Further, because of the time lag necessary in collecting, compiling, and publishing ICC statistics, the data never are completely up-to-date, and some series lag further behind than others. Finally, because economic activity is dynamic, it must be recognized that the pattern of no given year can be accepted as "typical" for the entire group of commodities, and probably not even for a particular commodity. Despite these and other limitations, however, the kind of data contained here may be useful for certain purposes, and certainly must be considered more desirable than no data at all. With these cautionary remarks in mind, then, the questions presented in the first paragraph of this article will now be dealt with in order.

During 1957, Oregon's rail freight "tonnage originated"

Oregon Business Review

Vol. XIX EUGENE, OREGON, FBERUARY 1960 No. 2

BUREAU OF BUSINESS RESEARCH, UNIVERSITY OF OREGON
Wesley C. Ballaine, Director Donald A. Watson, Assistant Director
Catherine Lauris, Editor David A. Baerncopf, Economist

Published monthly. Entered as second-class matter, August 10, 1948, at the postoffice at Eugene, Oregon, under the act of August 24, 1912. Persons wishing to receive the *Review* regularly should address requests to the editor. There is no subscription charge.

exceeded "tonnage terminated" by approximately fifty-four per cent. That is, for every three tons of freight loaded in the state, only two tons were unloaded. The great difference between incoming and outgoing tonnage revealed by this figure does much to explain the recurrent car shortages which plague Oregon shippers. Railroads are not likely to be enthusiastic about sending empty cars for long distances if enough two-way traffic is available elsewhere to keep them more fully employed. Unless, and until, a closer balance between incoming and outgoing tonnage is reached, no crystal ball is necessary to enable one to predict that car shortages will continue to be a problem in Oregon. This is generally true for areas of sizable net export surpluses which are far removed from principal industrial and consuming centers.

In reporting its statistics, the ICC groups all commodities into five broad classifications: products of agriculture, animals, mines, forest, and manufactured and miscellaneous products. During 1957, in terms of this commodity grouping, forest products accounted for approximately two-thirds of all Oregon rail tonnage originations. Second in rank was manufactured and miscellaneous products, with a little more than 15 per cent of the total tonnage originated. It should be noted, however, that much of the "manufactures" tonnage was composed of processed items drawn directly from the state's basic forest and agricultural industries. For example, although lumber, plywood, and pulpwood are "forest products," millwork, fibreboard, paper, and newsprint are "manufactured products." Or, sugar beets are "agricultural" while sugar and molasses are "manufactured." Wheat flour, on the other hand, is "agricultural"!

Agricultural products ranked third in 1957 rail tonnage originations, with slightly less than twelve per cent of the total. Products of mines was next, with a little more than six per cent; animal products finished a very poor last with less than one-half of one per cent of the tonnage.

Even with allowances made for non-rail carriage, the foregoing paragraphs demonstrate the great importance of forest products in the Oregon traffic picture. This importance is re-emphasized when rail tonnage terminations are compared with originations for each of the five ICC commodity groupings. During 1957, the forest products group was the only category wherein originations exceeded terminations. Terminations of agricultural products were forty-four per cent greater than originations, animal products 183 per cent greater, products of mines 105 per cent greater, and manufactured and miscellaneous products three per cent greater than originations. In the forest products group, however, terminations were only twenty-eight per cent of originations.

These figures show that Oregon has a rail tonnage deficit balance (that is, incoming tonnage exceeds outgoing tonnage) in all the major groups except forest products. Somewhat surprisingly, too, in a state where agriculture presumably plays a more important role in the economy than manufacturing does, the proportion of the agricultural tonnage deficit is much larger than the manufactured and miscellaneous tonnage deficit. Further, a comparison of the absolute figures from which these percentages are computed reveals that, although the total agricultural rail tonnage terminations of the state during 1957 were only slightly higher than the total manufactured and miscellaneous terminations, the agricultural tonnage *deficit* in *absolute terms* was approximately eleven times greater than the manufactured and miscellaneous deficit.

It has been mentioned earlier that the total outgoing rail tonnage of Oregon is considerably in excess of incoming tonnage. In all commodity groups except the forest products group, however, incoming tonnage is greater. This means that the export surplus of the forest products group is large enough to outweigh the deficits of the other four groups and still leave the state with a large net export surplus.

The destinations of Oregon's rail shipments for each of the commodity groups was inquired into in questions four and five of the first paragraph. A substantial quantity of these products are terminated within the state itself, of course. In 1958, in-state terminations accounted for forty-five per cent of agricultural products originations, sixteen per cent of animal products, seventy-eight per cent of products of mines, and twenty-seven per cent of forest products originations. During 1956 (later figures were not available at the time of computation) twenty-nine per cent of the state's manufactured and miscellaneous products were terminated in-state. Outside states which lead as points of termination for the remainder of the originated tonnage for the years 1956 and 1958 are listed in the accompanying table. They are ranked in the order of the volume of tonnage terminated.

The twelve states shown under "animal products" and the seven states shown under "products of mines" accounted for all out-of-state terminations of these products. The twelve states shown under "agricultural products" accounted for eighty-eight per cent, the twelve shown under "forest products" accounted for sixty-six per cent, and the twelve shown under "manufactured and miscellaneous products" accounted for eighty-six per cent of total out-of-state terminations in these groups. Altogether, agricultural products from Oregon were terminated in thirty-seven outside states (including the District of Columbia), manufactured and miscellaneous products in thirty-nine states, and forest products in every state.

The relatively high rank of the adjacent states of California and Washington is clearly apparent. Combined, these two neighboring states accounted for fifty-seven per cent of all out-of-state terminations of Oregon agricultural products, thirty-seven per cent of animal products, thirty-six per cent of products of mines, twenty per cent of forest products, and fifty-six per cent of manufactured and miscellaneous products terminations.

In general, a fairly small number of items within each of the broad commodity groups accounts for all reported

PRINCIPAL OUT-OF-STATE DESTINATIONS OF OREGON RAIL SHIPMENTS
LISTED IN THE ORDER OF VOLUME OF TONNAGE
TERMINATED BY INDIVIDUAL STATES

Agricultural Products (1958)	*Animal Products (1958)*	*Products of Mines (1958)*	*Forest Products (1958)*	*Mfgd. & Misc. Products (1956)*
Washington	California	Washington	Washington	California
California	Nebraska	Idaho	Texas	Washington
New York	Texas	Montana	California	Idaho
Wisconsin	Illinois[1]	Indiana	Illinois	Illinois
Illinois	Michigan[1]	California	Ohio	Texas
Missouri	Colorado[2]	Illinois	Michigan	Michigan
Pennsylvania	Idaho[2]	Pennsylvania	New York	Wisconsin
New Jersey	Washington		Minnesota	New York
Idaho	Nevada		Missouri	Ohio
Texas	Kansas[3]		Pennsylvania	Arizona
Massachusetts	Wyoming[3]		Indiana	Colorado[4]
Virginia	Missouri		Kansas	Utah[4]

[1] Reports showed equal amounts of termination of animal products.
[2] Reports showed equal amounts of termination of animal products.
[3] Reports showed equal amounts of termination of animal products.
[4] Reports showed equal amounts of termination of manufactured and miscellaneous products.
Source: Interstate Commerce Commission, *Carload Waybill Statistics*, 1956, 1958.

Oregon rail tonnage originations, and, among these items, an even smaller number shows an "export surplus" balance. For 1957, nineteen agricultural product items originated in the state, of which fourteen had an excess of originations over terminations. Seven animal product items originated in the state, with three having an export surplus. Of eight forest products items, seven showed an excess of originations over terminations. In the manufactured and miscellaneous group, only twenty items from a total of sixty-one originating in the state fell into the export surplus category.

Altogether, then, forty-eight specific items from the 100 originating in Oregon within the five groups had originations in excess of terminations. The seven "export surplus" items of the forest products group, moreover, accounted for almost eighty-five per cent of the net export balance of the entire "surplus" group. Manufactured and miscellaneous items followed with ten per cent, agricultural items with four per cent, and products of mines items with about one per cent. Animal product items made only a negligible contribution to the net export balance of the forty-eight surplus items.

Further, within the export surplus items of each of the five major commodity groups, only a few items account for a sizable portion of the surplus. Among the agricultural surplus items. potatoes account for twenty-four per cent, seeds for twenty-two per cent, fresh pears for sixteen per cent, frozen fruits for twelve per cent, and frozen vegetables for eleven per cent of the net export surplus. Only three animal products items, sheep, goats, and wool, show surpluses. Among the products of mines items, crushed stone accounts for forty-seven per cent, and ore concentrates for thirty-four per cent of the net export surplus. Three forest products items account for ninety-seven per cent of the net export surplus of the seven surplus-producing items in this group. These are the lumber, shingle, and lath items, with sixty-six per cent; veneer plywood, with twenty per cent; and pulpwood, with eleven per cent of the total net export balance of the group.

Within the manufactured and miscellaneous group's surplus balance items, the degree of concentration is not quite so marked as it is in most of the other groups. Even here, however, the leading five of these items account for more than two-thirds of the tonnage surplus of the entire group of twenty. These five include paperboard and fibreboard, twenty-one per cent; manufactured food products not otherwise specified, twenty per cent; wrapping paper, eleven per cent; wallboard, nine per cent; and building woodwork and millwork, seven per cent.

It is evident that a comparatively small number of key export items plays a large role in Oregon's interstate rail traffic. Additional information concerning the destinations of several of these items seems desirable; another article dealing with this topic is planned. It is expected that studies planned for the future will shed additional light on the applicable freight rate structures covering these items to their various destinations, and reveal something of the effects of these existing rate structures on the competitive relationships between Oregon producers and the producers of other regions.

Lumber. The figures below were reported by the West Coast Lumbermen's Association. They cover the Douglas fir area of the Pacific Northwest and are in thousands of feet, board measure.

	Jan. 1960	*Dec. 1959*	*Jan. 1959*
Average weekly production	162,566	156,481	145,736
Average weekly orders	141,532	182,064	158,098
Unfilled orders, end of month	666,350	703,190	659,862
Lumber inventory, end of month	1,033,613	986,316	853,229

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Employment. Information on employment in Oregon is reported each month by the State Department of Employment in Salem. The latest figures follow:

	Jan. 1960	*Dec. 1959*	*Jan. 1959*
Lumber & wood products	67,900	72,700	66,000
Food & kindred products	17,460	18,700	17,200
Other manufacturing	49,240	50,000	46,600
Total Manufacturing	134,600	141,400	129,800
Contract construction	21,100	23,900	21,100
Retail trade	77,400	83,300	73,900
Government	92,500	94,800	89,700
Other non-manufacturing	149,900	151,500	145,600
Total non-manufacturing	340,900	353,500	330,300
Total Non-agricultural Employment	475,500	494,900	460,100

Construction. The Bureau of Business Research, in cooperation with the F. W. Dodge Corporation, reports December 1959 construction contracts in Oregon had a total value of $22,351,000. This is 48 per cent above December 1958. Comparative data, in thousands of dollars, follow:

	Dec. 1959	*Nov. 1959*	*Dec. 1958*
Non-residential	$ 6,167	$ 6,428	$ 4,031
Residential	10,584	12,691	8,728
Public works & utilities	5,600	4,386	3,409
Totals	$22,351	$23,505	$16,168

Non-residential construction was 462,00 square feet in December 1959 and 384,000 square feet in December 1958. In December 1959 contracts were bid for 941 residential units totaling 1,002,000 square feet. One year earlier there were 719 units totaling 825,000 square feet.

The cumulative total for the 12 months of 1959 shows that the value of building contracts in Oregon was 8 per cent lower than for the comparable period of the previous year. For the 11 western states the cumulative 12 month total for 1959 was 11 per cent higher than for the previous year. The national total was 11 per cent higher for 1959 than for the comparable period in 1958. The figures quoted in this paragraph do not include public works or utilities.

Index of Man Hours in Manufacturing. A reliable index of change in manufacturing activity is the man hours of industrial production workers. The index is made by the Bureau of Business Research from data supplied by the State Department of Employment. Figures apply only to personnel engaged in direct manufacturing; sales, office, and general administrative employees are excluded. No adjustment for seasonal variation has been made (1951=100). The most recent reading for Oregon includes January 1960.

	1959	*1960*		*1959*	*1960*
Jan.	79.1	83.0	July	100.2	.....
Feb.	79.3	.....	Aug.	107.4	.....
Mar.	83.3	.....	Sept.	102.9	.....
Apr.	87.2	.....	Oct.	97.6	.....
May	92.1	.....	Nov.	94.1	.....
June	98.6	.....	Dec.	89.6	.....

Advertising linage. Local retail advertising in 20 daily newspapers in Oregon was 3.2 per cent higher in January 1960 than in January 1959.

BANK DEBITS

Bank debits represent the dollar value of checks drawn against the deposit accounts of individuals and business firms. Bank debits are considered good indicators of current business activity. But their value for this purpose can be impaired if they include large checks used to transfer funds for the purchase of certain kinds of capital assets that are not "business activity." Each month the Bureau of Business Research collects data on bank debits from 190 banks and branches.

	Number of Banks Reporting	*Debits Jan. 1960*	*Debits Dec. 1959*	*Debits Jan. 1959*	*Jan. 1960 compared with Dec. 1959*	*Jan. 1960 compared with Jan. 1959*
Oregon	190	$2,051,867,516	$2,201,943,905	$1,968,388,845	− 6.4	+ 4.7
Portland area (Multnomah, Washington, Clackamas, Columbia counties)	62	1,340,910,788	1,383,604,168	1,247,610,055	− 4.1	+ 7.5
Mid-Willamette Valley (Polk, Benton, Linn, Marion, Yamhill counties)	10	222,943,517	259,768,028	247,104,096	−14.2	− 9.8
North Oregon Coast (Tillamook, Clatsop, Lincoln counties)	10	32,624,109	36,488,775	34,047,617	−10.6	− 4.2
West Central Oregon (Douglas, Lane, Coos counties)	22	180,728,447	209,475,887	169,148,642	−13.7	+ 6.8
Southwestern Oregon (Curry, Jackson, Josephine counties)	13	88,743,260	95,551,679	81,654,994	− 7.1	+ 8.7
Upper Columbia River (Sherman, Hood River, Wasco, Gilliam, Wheeler counties)	9	30,856,357	32,205,142	28,217,065	− 4.2	+ 9.4
Pendleton area (Umatilla, Morrow counties)	8	36,047,240	37,785,780	30,614,407	− 4.6	+17.7
Central Oregon (Deschutes, Crook, Jefferson counties)	5	31,227,891	34,875,167	32,979,857	−10.5	− 5.3
Klamath Falls area (Klamath, Lake counties)	7	40,535,771	45,724,853	38,811,514	−11.4	+ 4.4
Baker, La Grande area (Baker, Grant, Wallowa, Union counties)	9	30,313,437	34,466,498	30,989,978	−12.0	− 2.2
Burns area (Harney, Malheur counties)	5	26,936,699	31,997,928	27,210,620	−15.8	− 1.0

BUILDING PERMITS

Building permits are a report of plans rather than of construction in actual operation. Interpretation of these data must allow for time elapsed between the issuing of the permit and the beginning of construction. The information has been collected by the Bureau of Business Research from building departments in local governments.

	New Residential Jan. 1960	*New Non-Residential Jan. 1960*	*Additions Alterations & Repairs Jan. 1960*	*Totals Jan. 1960*	*Totals Dec. 1959*	*Totals Jan. 1959*
Albany	$ 20,800	$ 1,000	$ 9,450	$ 31,250	$ 97,830	$ 130,750
Baker	30,000	.....	4,070	34,070	93,100	476,660
Beaverton	222,898	328	.....	223,226	112,317	80,965
Bend	27,000	600	4,000	31,600	116,725	64,300
CoosBay	49,000	170,475	17,775	237,250	349,760	139,125
Corvallis	182,000	800	8,020	190,820	187,640	236,595
Eugene	352,530	562,550	45,690	960,770	589,325	425,498
Grants Pass	96,200	5,200	30,950	132,350	53,200	30,300
Hillsboro	28,000	500	14,140	42,640	95,300	19,955
Klamath Falls	18,000	140,000	28,820	185,820	33,282	244,000
La Grande	.....	.....	10,500	10,500	20,625	9,500
McMinnville	11,000	2,000	8,500	21,500	20,485	19,375
Medford	196,500	11,400	38,358	246,258	680,483	386,430
Milwaukie	76,102	96,000	2,600	174,702	157,760	169,420
North Bend	.....	92,765	4,795	97,560	220,878	16,150
Pendleton	41,500	.....	6,640	48,140	50,610	59,544
Portland	1,098,500	340,000	1,910,615	3,349,115	4,327,980	3,158,195
Roseburg	15,948	148,000	56,745	220,693	158,131	28,240
Salem	159,150	524,000	35,566	718,716	274,120	279,254
Springfield	13,656	82,025	2,300	97,981	33,416	126,877
The Dalles	.....	1,000	5,500	6,500	38,850	100,050
Clackamas County	442,300	38,100	4,390	484,790	3,055,120	659,375
Douglas County	110,000	1,156	.....	111,156	80,244	44,642
Lane County	574,181	80,366	45,601	700,148	601,301	508,166
Marion County	397,600	314,400	5,100	717,100	473,785	332,280
Multnomah County	1,142,423	69,850	90,145	1,302,418	2,253,915	2,424,719
112 other communities	848,291	626,851	164,072	1,639,214	3,321,131	1,676,275
Totals	$6,153,579	$3,309,366	$2,554,342	$12,017,287	$17,497,313	$11,846,640